

TANGIPAHOA PARISH LIBRARY

(A Component Unit of the Tangipahoa Parish Government)

Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the year ended

December 31, 2011

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Independent Auditor's Report

To the Board of Control
Tangipahoa Parish Library
Tangipahoa Parish Council
Amite, Louisiana 70422

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tangipahoa Parish Library, a component unit of the Tangipahoa Parish Council, Louisiana as of and for the year ended December 31, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the Tangipahoa Parish Library's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tangipahoa Parish Library, as of December 31, 2011, and the respective changes in the financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2012, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Board of Control
Tangipahoa Parish Library
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Library's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 19, 2012

REQUIRED SUPPLEMENTAL INFORMATION
(PART I)

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2011

General Information

The Tangipahoa Parish Library (Library) is a public library system established in 1944 for the purpose of making available to all citizens of the parish books, other library materials, and technology for education, information, and recreation. The library strives to maintain a program of service to locate information, guide reading, promote literacy, and provide the most effective use of library resources.

Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Government Accounting Standard's Board (GASB) in their statement number 34. Its purpose is to provide an overview of the financial activities of the Library based on currently known facts, decisions, or conditions.

Financial Highlights

Ad valorem taxes reflect an authorized and levied millage of 5.81 mills which resulted in \$2,900,658 of levied 2011 ad valorem tax revenue.

Total revenue for 2011 was \$3,126,014. This revenue includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for photo copies, gifts, fines, interest earnings, miscellaneous fees, and proceeds from the sale of capital assets.

Library expenditures for 2011 totaled \$2,991,398. Expenditures include: library administration - personnel salaries and benefits, operating services - utilities, communications, maintenance of grounds, buildings, and equipment, insurance on facilities, grounds, and vehicles; materials and supplies - office, buildings, grounds, vehicle, and library supplies; travel - continuing education travel and expenses; capital outlay - vehicles, machinery and equipment, major repairs, and library materials; and intergovernmental expenditures - contributions to retirement systems, and statutory reimbursements.

Government-Wide Financial Statements

The annual financial report of the Library includes two government-wide financial statements. These statements provide information about the Library using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The two government-wide financial statements are as follows:

The Statement of Net Assets presents information on all of the Library's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The Statement of Activities presents information showing how the Library's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The purpose of the Statement of Activities is to demonstrate the financial reliance of the governmental type activities or functions of the Library on revenues provided by the taxpayers.

These financial statements are on pages 10 and 11 of this report.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2011

Fund Financial Statements

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Library uses a single governmental type fund, the General Fund, to ensure and demonstrate compliance with finance-related laws and regulations. Governmental type funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The financial statements are on pages 12 to 15 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 to 26 of this report.

Other Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. Required supplemental information can be found beginning on page 28 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Library's net assets for the current and prior fiscal year. For more detailed information on the current fiscal year, see the Statement of Net Assets on page 10 of this report.

Summary of Net Assets
December 31

	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 7,274,319	\$ 7,069,078
Capital Assets, Net	<u>3,224,110</u>	<u>3,252,869</u>
Total Assets	<u>10,498,429</u>	<u>10,321,947</u>
Other Liabilities	<u>299,770</u>	<u>229,145</u>
Total Liabilities	<u>299,770</u>	<u>229,145</u>
Net Assets:		
Investment in Capital Assets	3,224,110	3,252,869
Unrestricted	<u>6,974,549</u>	<u>6,839,933</u>
Total Net Assets	<u>\$10,198,659</u>	<u>\$10,092,802</u>

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2011

The Library's assets at December 31, 2011, exceed liabilities by \$10,198,659 (net assets), with the Library reporting positive balances in both categories of net assets. Of the total net assets, \$6,974,549 are Unrestricted Net Assets. The balance of net assets includes a total of \$3,224,110 invested in Capital Assets, consisting of the Library's net investment in library equipment, vehicles, books, and facilities improvements. The investment in Capital Assets matches the amount recorded for Capital Assets (net of depreciation) since the Library has not incurred, and applicable statutes prohibit the Library from incurring, long-term debt.

The largest components of the "Current and Other Assets" category are investments totaling \$4,346,041, consisting of funds deposited within the Louisiana Asset Management Pool, Inc. (LAMP), and receivables consisting of ad valorem tax receivable of \$2,795,730, a state revenue sharing receivable of \$182,335, intergovernmental and other receivables of \$4,054, less an allowance account for uncollectibles of \$67,000 for a total of \$2,915,119.

Other Liabilities totaling \$299,770 consist primarily of accounts payable, payable to Tangipahoa Parish Government, payroll related liabilities, deductions from property tax distributions for pension fund obligations, and unearned grant revenue.

Summary of Changes in Net Assets
For year ended December 31

	<u>2011</u>	<u>2010</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 56,274	\$ 82,324
General Revenues:		
Ad Valorem Taxes	2,834,957	2,799,367
Intergovernmental	201,664	205,718
Interest Income	14,234	14,230
Other	<u>17,467</u>	<u>15,871</u>
Total Revenues	3,124,596	3,117,510
Program Expenses	<u>3,018,739</u>	<u>2,723,465</u>
Change in Net Assets	105,857	394,045
Net Assets - Beginning	<u>10,092,802</u>	<u>9,698,757</u>
Net Assets - Ending	<u>\$10,198,659</u>	<u>\$10,092,802</u>

The major component of Program Revenues, totaling \$56,274 consists of charges for fines, and fee charges at branch library locations. The major General Revenue sources are ad valorem taxes totaling \$2,834,957, state revenue sharing totaling \$182,335, and interest earnings totaling \$14,234.

The net ad valorem tax increase was \$35,590 from last year. Interest earnings increased \$4 from last year.

Program expenses of \$3,018,739 shown in the Summary of Changes in Net Assets are not detailed since the level of detail for presentation of expenses on a functional basis would be the same as presented in the Statement of Activities on page 11. The largest expense category of expenses was for personnel services totaling \$1,478,070.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS continued
As of and for the year ended December 31, 2011

Other significant expenses include communications at \$108,085, operating services at \$106,688, materials and supplies at \$114,440, professional fees at \$102,235, maintenance of \$140,627, expenses of \$230,704 for stolen, destroyed, and obsolete books, statutory payments of \$113,397, and payments made under co-operative endeavor agreements in the amount of \$427,293.

Fund Financial Analysis

As previously noted, the Library's only governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements can be found on pages 12 to 15 of this report. Within the fund statements, the Library recorded an excess of revenues and other sources over expenditures and other uses of \$134,616 resulting in a fund balance of \$6,974,549 at December 31, 2011.

Capital Assets

The investment in capital assets, net of accumulated depreciation as of December 31, 2011, was \$3,224,110. There was an overall decrease in net capital assets of \$28,759. An inventory of all assets of the Library was performed in December 2011.

The following table provides a summary of the Library's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 6 to the financial statements in this report.

Capital Assets (Net of Depreciation)
December 31

Capital Assets	<u>2011</u>	<u>2010</u>
Library Collection	\$3,032,131	\$3,040,583
Inactive Assets	477	477
Vehicles	52,932	52,932
Equipment and Furniture	611,506	595,157
Leasehold Improvements	<u>190,710</u>	<u>190,710</u>
Subtotal Capital Assets	3,887,756	3,879,859
Less: Accumulated Depreciation	<u>(663,646)</u>	<u>(626,990)</u>
Capital Assets, Net	<u>\$3,224,110</u>	<u>\$3,252,869</u>

Budgetary Highlights

The Library demonstrated legal compliance by adopting its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures and other uses did not exceed budgeted expenditures and other uses by 5%.

For the general fund, actual revenues and other sources exceeded the original/final budgeted amounts by \$201,185. Actual expenditures and other uses were under the original/final budgeted amounts by \$3,823,231.

The Library did not amend its budget for 2011.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS concluded
As of and for the year ended December 31, 2011

Economic Factors and Next Year's Budget

The Library Board of Control and the Director use a conservative approach in determining the 2012 budget figures.

The Library's 2012 budget will show an overall increase in revenues of \$101,823. Ad valorem taxes have been budgeted with an increase of \$100,000, however, there are anticipated decreases in interest earnings and grant revenues.

The 2012 budget for operating expenditures will show a \$509,323 increase which is attributable to the estimated cost of \$450,000 for the purchase of new furniture and fixtures for the new Amite branch, the hiring of an interior decorator for the new Amite branch, the addition of E-books to the collection and general increases due to economic factors.

The Library will purchase 2 Smart Boards and 2 Smart Tables at a cost of \$16,394 and \$11,505 of proceeds coming from a state aid grant.

Conclusion

The Library has continued its programming and services to the public, expanded its facilities, and maintains an adequate number of staff to support the Library's program. Additional professional level librarians are desirable to facilitate the maximum use of the Library and its services. Enthusiastic staff members continue to develop successful programs and two grants enable the Library to provide entertainment and educational activities. *Technology continues to be the Library's biggest challenge: updating hardware and software, maintenance, service, and availability of an adequate number of computers.*

The annual operations and maintenance budget enables the Library to provide building and ground maintenance.

Contacting the Tangipahoa Parish Library's Administration

This financial report is designed to provide a general overview of the Tangipahoa Parish Library's finances. Questions about this report or requests for additional information may be sent to Barry Bradford, Director, Tangipahoa Parish Library, 200 East Mulberry Street, Amite, LA 70422, telephone (985) 748-7559.

BASIC FINANCIAL STATEMENTS

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF NET ASSETS
December 31, 2011

Assets

Cash and cash equivalents	\$ 13,159
Investments	4,346,041
Receivables, net	2,915,119
Capital assets, net of accumulated depreciation	<u>3,224,110</u>
Total Assets	<u>10,498,429</u>

Liabilities

Accounts payable	66,486
Accrued salaries/leave	50,957
Due to Tangipahoa Parish Government	65,816
Deductions from ad valorem tax	113,397
Deferred revenue	<u>3,114</u>
Total Liabilities	<u>299,770</u>

Net Assets

Investment in capital assets	3,224,110
Unrestricted	<u>6,974,549</u>
Total Net Assets	<u>\$10,198,659</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF ACTIVITIES
For the year ended December 31, 2011

Expenses

Library services:	
Personnel services	\$ 1,478,070
Operating services	106,688
Communications	108,085
Online subscription services	30,476
Rentals	34,386
Maintenance	140,627
Professional services	102,235
Insurance	58,009
Materials and supplies	114,440
Grant expenditures (non-capital)	5,673
Travel	7,053
Intergovernmental	113,397
Co-operative Endeavor Agreement - Amite	427,293
Stolen, destroyed, or obsolete books	230,704
Depreciation	<u>61,603</u>
Total Expenses	<u>3,018,739</u>

Program Revenues

Fees, fines, and other charges for services	<u>56,274</u>
Total Program Revenues	<u>56,274</u>
Net Program (Expense)	<u>(2,962,465)</u>

General Revenues

Ad valorem taxes	2,834,957
State revenue sharing	182,335
Grant revenues	19,329
Interest earnings	14,234
Miscellaneous	12,704
Donations - cash	2,630
Gain from disposal of capital assets	<u>2,133</u>
Total General Revenues	<u>3,068,322</u>
Change in Net Assets	105,857

Net Assets

Beginning of year	<u>10,092,802</u>
Net Assets - End of year	<u>\$10,198,659</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

BALANCE SHEET - GOVERNMENTAL FUND
GENERAL FUND
December 31, 2011

Assets

Cash and cash equivalents	\$ 13,159
Investments	4,346,041
Receivables, net	<u>2,915,119</u>
Total Assets	<u>\$7,274,319</u>

Liabilities and Fund Balance

Liabilities

Accounts payable	\$ 66,486
Accrued salaries/leave	50,957
Due to Tangipahoa Parish Government	65,816
Deductions from ad valorem tax	113,397
Deferred revenue	<u>3,114</u>
Total Liabilities	<u>299,770</u>

Fund Balance

Committed for construction of Amite branch	3,378,937
Unassigned	<u>3,595,612</u>
Total Fund Balance	<u>6,974,549</u>
Total Liabilities and Fund Balance	<u>\$7,274,319</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET ASSETS
December 31, 2011

Fund balance - governmental fund	\$ 6,974,549
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	
Governmental capital assets	3,887,756
Less Accumulated Depreciation	<u>(663,646)</u>
Net Assets of Governmental Activities	<u>\$10,198,659</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
For the year ended December 31, 2011

Revenues	
Ad valorem taxes	\$2,834,957
State revenue sharing	182,335
Grant revenues	19,329
Fines and fees	56,274
Interest earnings	14,234
Donations	2,630
Miscellaneous	12,704
Total Revenues	<u>3,122,463</u>
Expenditures	
Personnel services	1,478,070
Operating services	106,688
Communications	108,085
Online subscription services	30,476
Rentals	34,386
Maintenance	140,627
Professional services	102,235
Insurance	58,009
Materials and supplies	114,440
Grant expenditures (non-capital)	5,673
Travel	7,053
Intergovernmental expenditures	113,397
Capital outlay	264,966
Total Expenditures	<u>2,564,105</u>
Excess of Revenues Over Expenditures	<u>558,358</u>
Other Financing (Uses)	
Sale of Capital Assets	3,551
Co-Operative Endeavor Agreement - Amite	<u>(427,293)</u>
Total Other Financing (Uses)	<u>(423,742)</u>
Net Change in Fund Balance	134,616
Fund Balance at Beginning of Year	<u>6,839,933</u>
Fund Balance at End of Year	<u>\$6,974,549</u>

The accompanying notes are an integral part of this statement.

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2011

**Amounts reported for governmental activities in the statement
of activities are different because:**

Net change in fund balance - total governmental fund (page 14)	\$ 134,616
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	203,362
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	<u>(232,121)</u>
Change in net assets of governmental activities (page 11)	<u>\$ 105,857</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TANGIPAHOA PARISH LIBRARY
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

INTRODUCTION

The Tangipahoa Parish Library (Library) was established by the governing authority under the provisions of Louisiana Statute (LSA-RS) 25:211. The Library provides citizens of the parish access to library materials, books, magazines, records, and films. The Library is governed by a Board of Control of seven members, which are appointed by the Tangipahoa Parish Government in accordance with the provisions of LSA RS 25:214. One member of the Tangipahoa Parish Government serves as an ex-officio member of the Board. The members of the Board of Control serve without pay. Primary financing is provided by ad valorem taxes and state revenue sharing funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the identification of a primary government unit for financial reporting purposes.

The Library does not possess all the corporate powers necessary to make it a legally separate entity from the Tangipahoa Parish Government, which holds the Library's corporate powers. For this reason, the Library is a component unit of the Tangipahoa Parish Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Library and do not present information of the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the Library. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library's only fund, the general fund, is classified as a governmental type activity.

The statement of activities and changes in net assets demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Library has no proprietary funds.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Library reports the following major governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Library has no business-type activities or enterprise funds.

Amounts reported as program revenues, if any, include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed.

E. DEPOSITS AND INVESTMENTS

Cash and cash equivalents includes cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Tangipahoa Parish Library
Notes to the Financial Statements - continued
December 31, 2011

Under state law, the Library may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the Library are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

F. RECEIVABLES

Receivables are shown net of an allowance for uncollectibles. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing vehicles, furniture, and equipment. A threshold level of \$25,000 or more is maintained for leasehold improvements.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. All capital assets, other than the library collection, are depreciated using the straight-line method over the following estimated useful life years:

<u>Asset Class</u>	<u>Life Years</u>
Equipment	3 - 10
Furniture and Fixtures	3 - 12
Motor Vehicles	5 - 10
Leasehold Improvements	Shorter of (1) remaining lease term, or (2) useful life of improvement.

The Library board has adopted the policy that the library "collection" will be reported on a composite basis by making adjustments to total value to reflect increases or decrease in total value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

H. COMPENSATED ABSENCES

The Library has the following policy relating to vacation and sick leave:

Permanent employees of the Library earn from 9 to 20 days of vacation leave each year, depending on their length of service and job classification. Annual leave may be accumulated up to 1-1/2 times the total annual leave, but only ½ of total annual leave may be carried over from one year to another, with minor exceptions. Upon separation, employees are paid at their current rate of pay for accrued leave up to a maximum of 3 weeks. Employees earn 13 days of sick leave each year. Sick leave may be accumulated up to 300 hours but upon separation any accumulated sick leave is forfeited.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

I. FUND EQUITY

Governmental fund equity is classified as fund balance. Beginning with fiscal year ending December 31, 2011, the Library implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or they are legally contractually required to be maintained intact.

The Library does not have anything that can be classified as Nonspendable Fund Balance.

- **Restricted:** This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

The Library does not have anything that can be classified as Restricted Fund Balance.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Library's board, which is the Library's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The Library board has committed \$4 million of fund balance toward the construction of the new Amite branch. The commitment was enacted originally through the adoption of the 2010 operating budget and again in the 2011 operating budget. Remaining committed fund at December 31, 2011, is \$3,378,937.

- **Assigned:** This classification includes amounts that are constrained by the Library's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Library's governing body itself or a committee or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

The Library does not have anything that can be classified as Assigned Fund Balance.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Library will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Library's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Tangipahoa Parish Assessor in October and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Tangipahoa Parish Sheriff on behalf of the Library bills, collects, and remits the property taxes using the assessed values determined by the tax assessor of Tangipahoa Parish. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date of Millage</u>
General Fund	3.00	3.00	10/01/2018
General Fund	2.81	2.81	10/01/2014

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS

The Library uses the following budget practice:

The Library adopts a budget for the General Fund on the modified accrual basis each year. The budget for the fiscal year ended December 31, 2011, was adopted on December 28, 2010. The budget is monitored by the Board of Control and amended by the Tangipahoa Parish Government as needed at the request of the Board of Control. The budget was not amended for the fiscal year ended December 31, 2011. Unexpended budget balances lapse at year-end.

3. DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of December 31, 2011, are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and cash equivalents	\$ 13,159
Investments	<u>4,346,041</u>
Total cash and cash equivalents and investments	<u>\$4,359,200</u>

Deposits and investments (GASB 3, as amended) as of December 31, 2011, consist of the following:

Cash on hand	\$ 100
Deposits with financial institutions:	
Interest-bearing demand deposits	13,059
Investments	
Louisiana Asset Management Pool	<u>4,346,041</u>
Total deposits and investments	<u>\$4,359,200</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the Library has \$96,003 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

The investment in the Louisiana Asset Management Pool (LAMP) – an external investment pool – is stated at the value of the pool shares, which is the same as the fair value.

In accordance with GASB - 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair value, with the estimate of fair value based on quoted market prices. At December 31, 2011, the Library's investment balances are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Louisiana Asset Management Pool	<u>\$4,346,041</u>	<u>\$4,346,041</u>

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Tangipahoa Parish Library
Notes to the Financial Statements - continued
December 31, 2011

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate bill No. 512, Act 701) enacted LSA-R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2011:

<u>Class of Receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$2,795,730
State Revenue Sharing	182,335
Intergovernmental	3,918
Other	136
Less: Allowance for uncollectible ad valorem taxes	<u>(67,000)</u>
Total	<u>\$2,915,119</u>

5. AD VALOREM TAXES

For the year ended December 31, 2011, taxes of 5.81 mills were levied on property with assessed valuations totaling \$499,247,586. Total taxes levied were \$2,900,658.

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011, for governmental activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities Capital Assets:				
Capital Assets Not Being Depreciated:				
Library Collection	\$3,040,583	\$222,252	\$230,704	\$3,032,131
Inactive Assets	<u>477</u>	<u>-</u>	<u>-</u>	<u>477</u>
Total Capital Assets Not Being Depreciated	<u>3,041,060</u>	<u>222,252</u>	<u>230,704</u>	<u>3,032,608</u>
Capital Assets Being Depreciated:				
Equipment and Furniture	595,157	42,713	26,364	611,506
Vehicles	52,932	-	-	52,932
Leasehold Improvements	<u>190,710</u>	<u>-</u>	<u>-</u>	<u>190,710</u>
Total Capital Assets Being Depreciated	<u>838,799</u>	<u>42,713</u>	<u>26,364</u>	<u>855,148</u>
Less Accumulated Depreciation for:				
Equipment and Furniture	425,658	55,451	24,947	456,162
Vehicles	52,932	-	-	52,932
Leasehold Improvements	<u>148,400</u>	<u>6,152</u>	<u>-</u>	<u>154,552</u>
Total Accumulated Depreciation	<u>626,990</u>	<u>61,603</u>	<u>24,947</u>	<u>663,646</u>
Total Capital Assets Depreciated, Net	<u>211,809</u>	<u>(18,890)</u>	<u>1,417</u>	<u>191,502</u>
Total Governmental Activities Capital Assets, Net	<u>\$3,252,869</u>	<u>\$203,362</u>	<u>\$232,121</u>	<u>\$3,224,110</u>
Depreciation was charged to governmental functions as follows:				
Library Services				<u>\$61,603</u>
				<u>\$61,603</u>

7. PENSION PLAN

Plan Description. Substantially all employees of the Tangipahoa Parish Library are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Library funds and all elected parish officials are eligible to participate in the System. Under plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The rate for 2011 is 15.75 percent of the annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish (except Orleans and East Baton Rouge Parishes). These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Tangipahoa Parish Library are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The Tangipahoa Parish Library's contributions to the System under Plan A for the year ending December 31, 2011, 2010, and 2009, were \$128,237, \$127,657, and \$88,475, respectively, equal to the required contribution for each year.

8. COMPENSATED ABSENCES

At December 31, 2011, employees of the Library have accumulated and vested \$31,812 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The \$31,812 is recorded as an obligation of the General Fund.

9. LEASES

At December 31, 2011, the Library has operating leases of the following nature:

Tangipahoa Parish Library rents a building for the operation of the Amite branch on a month to month basis for \$2,700 per month. Total rent expense was \$32,400.

10. LITIGATION

There is no outstanding litigation at December 31, 2011.

11. RISK MANAGEMENT

The Library is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library attempts to minimize risk from significant losses through the purchase of commercial insurance.

12. CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does not have a deposit policy for custodial credit risk. As of December 31, 2011, the Library's bank balances of \$96,003 were not exposed to custodial credit risk.

13. CO-OPERATIVE ENDEAVOR AGREEMENT

The Tangipahoa Parish Library Board of Control entered into a Co-Operative agreement with the Tangipahoa Parish Government dated June 18, 2010. The parties will cooperate to construct a new Amite branch which will house the administrative offices of the Tangipahoa Parish Library System and in connection therewith, will expend public tax funds of \$4,000,000, or more in actual construction costs.

During the year, the Library made payments per the agreement in the amount of \$427,293.

14. SUBSEQUENT EVENTS

- On February 27, 2012, the Library received a State Aid Grant in the amount of \$11,505.23 to be used to purchase 2 Smart Boards and 2 Smart Tables.
- The Library purchased 2 Smart Boards for \$7,596 and 2 Smart Tables for \$8,798.
- On March 28, 2012, the Library awarded the following furniture bids for the new Amite branch:
 - GN Associates, Inc. - Library shelving \$99,865
 - Arnold & Associates Interiors Inc. - Furniture \$274,777
 - Gulf South Business Systems & Consultants, Inc. - Systems furniture \$20,210
- The Library entered into an agreement with Signcrafters on February 13, 2012, to construct a Discovery Tree at a cost of \$45,300 inside the new Amite branch. Upon completion, the Library will transfer ownership to the Tangipahoa Parish Government.

REQUIRED SUPPLEMENTAL INFORMATION
(PART II)

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
For the year ended December 31, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Ad valorem taxes	\$ 2,650,000	\$2,834,957	\$ 184,957
State revenue sharing	170,000	182,335	12,335
Grant revenues	19,329	19,329	-
Fines and fees	67,000	56,274	(10,726)
Interest earnings	15,000	14,234	(766)
Donations	1,500	2,630	1,130
Miscellaneous	2,000	12,704	10,704
Total Revenues	<u>2,924,829</u>	<u>3,122,463</u>	<u>197,634</u>
Expenditures			
Personnel services	1,570,100	1,478,070	92,030
Operating services	138,000	106,688	31,312
Communications	98,000	108,085	(10,085)
Online subscription services	50,000	30,476	19,524
Rentals	34,400	34,386	14
Maintenance	178,000	140,627	37,373
Professional services	99,800	102,235	(2,435)
Insurance	80,000	58,009	21,991
Materials and supplies	120,000	114,440	5,560
Grant expenditures (non-capital)	19,329	5,673	13,656
Travel	12,000	7,053	4,947
Intergovernmental expenditures	95,000	113,397	(18,397)
Capital outlay	320,000	264,966	55,034
Total Expenditures	<u>2,814,629</u>	<u>2,564,105</u>	<u>250,524</u>
Excess of Revenues Over Expenditures	<u>110,200</u>	<u>558,358</u>	<u>448,158</u>
Other Financing (Uses)			
Sale of capital assets	-	3,551	3,551
Co-Operative Endeavor Agreement - Amite	(4,000,000)	(427,293)	3,572,707
Total Other Financing (Uses)	<u>(4,000,000)</u>	<u>(423,742)</u>	<u>3,576,258</u>
Net Change in Fund Balance	(3,889,800)	134,616	4,024,416
Fund Balance at Beginning of Year	<u>6,839,933</u>	<u>6,839,933</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,950,133</u>	<u>\$6,974,549</u>	<u>\$4,024,416</u>

See Independent Auditor's report.

OTHER SUPPLEMENTAL INFORMATION

Tangipahoa Parish Library
(A Component Unit of the Tangipahoa Parish Government)
Amite, Louisiana

SCHEDULE OF BOARD MEMBERS

For the year ended December 31, 2011

	<u>Term</u>	<u>Term Expires</u>
Mark Anderson, President 333 South 1 st Street Ponchatoula, LA 70454 (985) 370-4858	5 years	March 2014 Resigned December 1, 2011
Martha Alexander, Vice President 18348 Hwy 16 Amite, LA 70422 (985) 748-9517	5 years	January 2013
Gloria Vinyard, Treasurer 49274 Ravenwood Drive Loranger, LA 70446 (985) 542-8313	5 years	April 2015
Katherine Yeargain P.O. Box 1046 Ponchatoula, LA 70454 (985) 386-3586	5 years	July 2016
Dr. Kay Moser 1200 N. Duncan Avenue Amite, LA 70422 (985) 748-4791	5 years	April 2012
Sheila Broyles 401 Avenue E Kentwood, LA 70444 (985) 229-2209	5 years	April 2016
Cecilia Giannobile 110 Granby Drive Hammond, LA 70401 (985) 345-4176	5 years	January 2015
Tom Tolar, Ex-Officio Tangipahoa Parish Council Member P.O. Box 472 Kentwood, LA 70444 (985) 969-1843	N/A	N/A

No compensation is paid to these members.

See Independent Auditor's report.

FINDINGS AND OTHER INDEPENDENT AUDITOR'S REPORT

**Tangipahoa Parish Library
Schedule of Findings and Questioned Costs
December 31, 2011**

Part I: Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unqualified.

Internal Control Over Financial Reporting:

Material Weakness(es) Identified:	No
Significant Deficiency(ies) that are not considered to be	
Material Weaknesses:	No
Noncompliance Material to the Financial Statements:	No

Federal Awards

There were no Major Programs for the Tangipahoa Parish Library for the fiscal year ended December 31, 2011

Part II: Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

No compliance findings.

B. Internal Control Findings -

No internal control findings.

Part III: Findings and Questioned Costs for Federal Awards which include audit findings as defined in Section 510(a) of Circular A-133:

Not included – no major federal program awards.

Part IV: Management Letter Items:

There were no management findings for the Tangipahoa Parish Library for the fiscal year ending December 31, 2011.

Tangipahoa Parish Library

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2011

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

See Independent Auditor's report.

Tangipahoa Parish Library

CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 2011

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

See Independent Auditor's report.

Bruce C. Harrell, CPA

Dale H. Jones, CPA
Michael P. Estay, CPA
Eric J. Rodrigue, CPA
Kristi U. Bergeron, CPA
Jessica H. Jones, CPA

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Control
Tangipahoa Parish Library
Tangipahoa Parish Council
Amite, Louisiana 70422

We have audited the governmental activities and each major fund of the Tangipahoa Parish Library, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Tangipahoa Parish Library is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Tangipahoa Parish Library's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the Tangipahoa Parish Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Parish Library's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Board of Control
Tangipahoa Parish Library
Amite, Louisiana 70422
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Library's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statutes S24:513.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 19, 2012